



**Solicitation Information
December 17, 2012**

RFP# 7458378

TITLE: Flexible Spending Account (FSA) Administration for State Employees

Submission Deadline: January 17, 2013 @ 10:00 AM (EST)

Questions concerning this solicitation must be received by the Division of Purchases at David.Francis@purchasing.ri.gov no later than **January 3, 2013 @ 12:00 AM Midnight (EST)**. Questions should be submitted in a *Microsoft Word attachment*. Please reference the RFP# on all correspondence. Questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information.

SURETY REQUIRED: No

BOND REQUIRED: No

David J. Francis
Interdepartmental Project Manager

Applicants must register on-line at the State Purchasing Website at www.purchasing.ri.gov

Note to Applicants:

Offers received without the entire completed four-page RIVP Generated Bidder Certification Form attached may result in disqualification.

THIS PAGE IS NOT A BIDDER CERTIFICATION FORM

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SECTION 1: INTRODUCTION

The Rhode Island Department of Administration/Division of Purchases is soliciting proposals from qualified organizations to provide Flexible Spending Account (FSA) Administration for the State of Rhode Island's (The State) approximately fifteen thousand six hundred (15,600) eligible active employees.

This is a Request for Proposals, not an Invitation for Bid. Responses will be evaluated on the basis of the relative merits of the proposal, in addition to price; there will be no public opening and reading of responses received by the Division of Purchases pursuant to this Request, other than to name those offerors who have submitted proposals.

INSTRUCTIONS AND NOTIFICATIONS TO OFFERORS:

1. Potential vendors are advised to review all sections of this RFP carefully and to follow instructions completely, as failure to make a complete submission as described elsewhere herein may result in rejection of the proposal.
2. Alternative approaches and/or methodologies to accomplish the desired or intended results of this procurement are solicited. However, proposals which depart from or materially alter the terms, requirements, or scope of work defined by this RFP will be rejected as being non-responsive.
3. All costs associated with developing or submitting a proposal in response to this RFP, or to provide oral or written clarification of its content shall be borne by the vendor. The State assumes no responsibility for these costs.
4. Proposals are considered to be irrevocable for a period of not less than sixty (60) days following the opening date, and may not be withdrawn, except with the express written permission of the State Purchasing Agent.
5. All pricing submitted will be considered to be firm and fixed unless otherwise indicated herein.
6. Proposals misdirected to other state locations, or which are otherwise not present in the Division at the time of opening for any cause will be determined to be late and will not be considered. For the purposes of this requirement, the official time and date shall be that of the time clock in the reception area of the Division.
7. It is intended that an award pursuant to this RFP will be made to a prime vendor, or prime vendors in the various categories, who will assume responsibility for all aspects of the work. Joint venture and cooperative proposals will not be considered. Subcontracts are permitted, provided that their use is clearly indicated in the vendor's proposal and the subcontractor(s) to be used is identified in the proposal.
8. All proposals should include the vendor's FEIN or Social Security number as evidenced by a W9, downloadable from the Division's website at www.purchasing.ri.gov.

9. The purchase of services under an award made pursuant to this RFP will be contingent on the availability of funds.
10. Vendors are advised that all materials submitted to the State for consideration in response to this RFP will be considered to be Public Records as defined in Title 38, Chapter 2 of the General Laws of Rhode Island, without exception, and will be released for inspection immediately upon request once an award has been made.
11. Interested parties are instructed to peruse the Division of Purchases website on a regular basis, as additional information relating to this solicitation may be released in the form of an addendum to this RFP.
12. Equal Employment Opportunity (G.L. 1956 § 28-5.1-1, et seq.) – § 28-5.1-1
Declaration of policy – (a) Equal opportunity and affirmative action toward its achievement is the policy of all units of Rhode Island state government, including all public and quasi-public agencies, commissions, boards and authorities, and in the classified, unclassified, and non-classified services of state employment. This policy applies to all areas where State dollars are spent, in employment, public services, grants and financial assistance, and in state licensing and regulation. For further information, contact the Rhode Island Equal Opportunity Office at (401) 222-3090.
13. In accordance with Title 7, Chapter 1.2 of the General Laws of Rhode Island, no foreign corporation, a corporation without a Rhode Island business address, shall have the right to transact business in the State until it shall have procured a Certificate of Authority to do so from the Rhode Island Secretary of State (401-222-3040). This is a requirement only of the successful vendor(s).
14. The vendor should be aware of the State's Minority Business Enterprise (MBE) requirements, which address the State's goal of ten percent (10%) participation by MBE's in all State procurements. For further information, contact the MBE Administrator at (401) 574-8253 or visit the website www.mbe.ri.gov or contact charles.newton@doa.ri.gov.

SECTION 2: BACKGROUND AND POPULATION

- The State currently offers a Dependant Care Account (DCA) and a Health Care Account (HCA).
- The State has one centralized payroll department.
- The State funds the FSA administration fees.
- The State conducts open enrollment annually for a 30-day period targeted for mid-May to mid-June. This open enrollment will include medical, dental, vision, life and group legal, as well as FSA, for a July 1, 2013 effective date.
- The State will pass elections with contribution amounts to the selected bidder through a paper enrollment process. The selected bidder will then be responsible for updating their system with the paper enrollment forms provided by The State.

Eligible population	15,668
Employees currently electing DCA	214
Average annual contribution to DCA	\$3,704.00
Eligible employees electing Medical Account	1,590
Average annual medical contribution	\$1,287.00

Eligible Populations

The following populations are eligible for State health care benefits and are also eligible for flexible spending accounts:

- All classified, non-classified and unclassified active State and Board of Governor employees, excluding specific part-time personnel, seasonal and limited period personnel, as set forth in Rhode Island General Laws 36-12-1

Plan Design

Current Health and Welfare Plan Offerings

The State currently offers the following benefits to all eligible active employees.

Benefit Plan	Current Options	Current Vendors	Current Funding Arrangement
Medical	Single PPO offering	United Health Care	Self-Funded
Dental	Single Indemnity offering	Delta Dental of RI	Fully Insured
Vision	Exams, lenses, and frames	VSP	Self-Funded
Health Care Account	\$2,500 annual maximum contribution	TASC	N/A
Dependent Care Account	\$5,000 annual maximum contribution	TASC	N/A

For more detailed plan design information, please go to <http://www.employeebenefits.ri.gov>.

In addition to any special terms and conditions which may result as a consequence of the proposal evaluation process, the following special terms and conditions will be contained in any contract awarded.

Special Terms

Indemnification

The vendor shall use its best efforts in the exercise of its powers and the performance of its duties under the mutually agreed upon contract to indemnify and hold harmless The State and its directors, officers, and employees against all claims, lawsuits, settlements, judgments, costs, penalties, and expenses, including attorney's fees, with respect to the contracted arrangement, arising out of the vendor's breach of the contract, or the negligent, dishonest, fraudulent, or criminal acts of the selected vendor or any of its directors, officers, employees, subcontractors, or contracting providers, acting alone or in collusion with others.

Payment Terms

Payment terms by The State shall be governed by the provisions as set forth under Chapter 42-11.1 of the Rhode Island General Laws entitled Prompt Payment by the Department of Administration.

Contract Termination

This Agreement shall terminate under any of the following circumstances:

- By mutual written agreement of The State and the vendor
- After the initial twelve (12) months of the Agreement Period, either party gives the other party at least six (6) months prior written notice.
- By The State, or by the vendor, in whole or in part, whenever one party determines that the other party has failed to satisfactorily perform its contracted material duties and responsibilities and is unable to cure such failure within a reasonable period of time after receipt of a notice specifying that material breach.
- By The State, in whole or in part, whenever The State reasonably determines, based on adequate documentation, that the instability of the vendor's financial condition threatens delivery of covered services and continued performance of the vendor responsibilities.
- Upon a finding of just cause, if The State shall determine that such termination is in the best interest of The State, with sufficient prior notice to the vendor.
- The three-year term of the contract is complete.

Procedures on Termination

Upon delivery by certified or registered mail to the vendor of a Notice of Termination specifying the nature of the termination and the date upon which such termination becomes effective, the vendor shall:

- Stop work under this Agreement on the date and to the extent specified in the Notice of Termination.

- With the approval of The State, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, the cost of which would be reimbursable in whole or in part, in accordance with the provision of this Agreement.
- Complete the performance of such part of the work not terminated by the Notice of Termination.
- Provide all reasonably necessary assistance to The State in transitioning members out of the FSA plans to the extent specified in the Notice of Termination.

SECTION 3: SCOPE OF WORK

General Scope of Work

The State seeks a vendor to provide the following services:

- Effective, efficient and accurate eligibility processing;
- Effective, efficient and accurate reimbursement processing;
- Payment of reimbursements on a scheduled basis;
- Provision of best-in-class member services and customer support;
- Consistent and timely resolution of member inquiries;
- Superior level of account management and service; and
- Commitment to successful implementation.

Proposed FSA Plan Design

Account	Design
Health Care Account	\$130 annual minimum contribution (\$5 per bi-weekly paycheck) \$2,500 annual maximum contribution
Dependent Care Account	\$5,000 annual maximum contribution

Specific Requirements

In addition, The State also requires all potential vendors to offer the following terms/services in order to be considered:

- Member Information (account status, submitted claims, balance information, etc.) that is accessible through an online web portal;
- Toll-free customer service number available to participants;
- Maintenance of manual/electronic log by customer service to document client and participant inquiries;
- Administer a 2½-month grace period after the plan year to allow state employees to incur eligible expenses and submit them to the prior year's account balance;
- Participants must be notified, in writing, of potential forfeitures at least 30 days prior to the end of the plan year;
- Vendor that has serviced similar sized accounts as The State (10,000+ employees);
- Vendor that has been administering FSA benefits for a minimum of three (3) years;
- A debit card program for HCA spending accounts; and
- Ability to accept eligibility feed in Microsoft Excel/Access format.

SECTION 4: TECHNICAL PROPOSAL

Proposal Detailed Instructions

General

This section includes instructions for preparing the technical section of the proposal. Offerors are cautioned to review the instructions carefully. Failure to comply with these instructions in full may result in disqualification.

Responses should be in the order as presented in the RFP. Please repeat the questions for Section 4.1 and 4.2 in the order presented using exact terminology as presented in this request. Additional pages relevant to your proposal must be placed in an appendix with an organized Table of Contents. Responses are required for all questions. Failure to respond to any question may result in rejection of the proposal.

The proposal must provide evidence of the offeror's ability to provide the services described in Section Three of this RFP. The proposal must consist of each section outlined in detail below:

Sections

4.1	Vendor Accountability and Performance Guarantees
4.2	Questionnaire

Offerors are advised to be concise and to the point in their responses.

4.1: VENDOR ACCOUNTABILITY AND PERFORMANCE GUARANTEES

Respond to the following vendor accountability and performance guarantee standards outlined in this section. Please outline any deviations from the proposed standards. Deviations will be considered but only granted when in the best interests of The State. Offeror's are cautioned that failure to respond in full, or in part, to all standards may negatively affect the evaluation of the offeror's proposal, up to and including disqualification.

This RFP sets forth the terms and conditions under which The State wishes to purchase FSA Administration services. Your written proposal will be your offer to provide the requested services.

Any requested clarification of your proposal shall be provided in writing. Similarly, any modification of proposal terms that may occur during the proposal process shall be provided in writing.

Your proposal and the written responses described above shall be the offer on which The State bases its acceptance decision. The State reserves the right to accept, reject, or modify the specifications stated herein to best meet the needs of The State and its employees.

Sections

4.1.1	Vendor Accountability
4.1.2	FSA Performance Guarantees

4.1.1: VENDOR ACCOUNTABILITY

Please indicate your organization's willingness to agree to the vendor accountability standards as defined in this section.

- Identify whether or not you agree to each of the vendor accountability standards;
- Identify any deviations required from the proposed vendor accountability standards; and
- Identify any vendor accountability standards your organization is proposing that are in addition to the standards presented in this section.

Category	Guarantee	Agree/Disagree	Deviations
Vendor Accountability			
Account Management	<ul style="list-style-type: none">• The State will require a fully accountable State of Rhode Island account management team with clearly defined roles including:<ul style="list-style-type: none">— Account Manager— Implementation Coordinator		
Member Satisfaction Survey	<ul style="list-style-type: none">• The State will require your organization to:<ul style="list-style-type: none">— Develop a mutually agreeable State of Rhode Island satisfaction survey (Note: electronic surveys are acceptable)— Survey, collect, and report respondent results on a mutually agreed upon basis (e.g., annually)— Ensure a mutually agreeable minimum response rate and re-survey non-respondents, if necessary		

Category	Guarantee	Agree/Disagree	Deviations
Audit Coordination	<ul style="list-style-type: none"> ● The State may conduct audits through external third-parties to objectively assess plan performance. The State will require your organization to: <ul style="list-style-type: none"> — Work in partnership with The State’s audit partner including but not limited to on-site requirements — Utilize the Suggested Action Plan in the audit report as recommended — Measure improvement on action items and audit report findings — Provide audit data, questionnaires, and any other requirements within thirty (30) business days of request, and — Utilize external full plan year audit results, which mirror performance standards, blended with vendor self-reported service results for the purposes of determining year-end performance measurement. The external audit results will account for 50 percent (1/2) of the total weighting of year-end results. 		

4.1.2: FSA PERFORMANCE GUARANTEES

Please indicate your organization's willingness to agree to the performance standards as defined in this section.

- Identify the dollar amount at risk for each of the proposed performance standards;
- Identify any deviations required from the proposed performance standards; and
- Identify any performance standards your organization is proposing that are in addition to the standards presented in this section.

Effective Date

The effective date of the performance standards will be July 1, 2013. The provisions will renew on July 1 of each year subject to mutual agreement between The State and the vendor.

Measurement Period

For the specified performance standards, the overall measurement period during the first year of the contract will be July 1, 2013 through June 30, 2014. The measurement period during subsequent contract years will also be July 1 through June 30.

This contract includes performance standards pertaining to the following:

- Plan Implementation;
- Customer Service; and
- Claim Administration.

Plan Implementation (Year One Only)

The selected offeror will be expected to effectively manage a smooth, seamless implementation. Assessment of these elements will take place during implementation with overall evaluation conducted sixty (60) days after the effective date (July 1, 2013). The fees at risk should only illustrate year one implementation guarantees. The State suggests that a minimum of \$1,500 be placed at risk for plan implementation guarantees. The following standards will apply:

Standard	Guarantee	Amount at Risk	Measurement Frequency/Method	Deviations
Plan Implementation (Year One Only)				
Timeline	<ul style="list-style-type: none"> The vendor will provide and maintain for The State a detailed timeline of implementation activities and “key” deliverable dates throughout the implementation process 	\$	Implementation timeline	
Readiness/ Systems	<ul style="list-style-type: none"> Service systems will be ready in advance as follows: <ul style="list-style-type: none"> Claims system will be ready for pre-implementation claim testing no later than June 1, 2013 and ready to accept “live” claims on June 30, 2013 Customer Service systems will be ready to answer pre-enrollment calls by June 1, 2013 Eligibility system and The State structure will be operational and final by June 15, 2013 	\$	<p>The date that plan structure, on-line benefits tools and systems are ready. May also be tested by “practice” phone inquiries from The State</p> <p>Customer Service readiness for member inquiries throughout the Annual Enrollment period to the effective date</p> <p>Participation in annual enrollment events, as requested by The State</p>	
Debit Cards	<ul style="list-style-type: none"> 98% of FSA Debit Cards mailed at least 10 business days prior to effective date 	\$	Date FSA Debit Cards are mailed	
Overall Satisfaction	<ul style="list-style-type: none"> Overall satisfaction with implementation 	\$	Subjective evaluation based on The State and partner feedback	

Ongoing Performance Guarantees (Years One, Two, and Three)

The selected offeror will be expected to maintain high levels of service throughout the duration of the contract. For each proposed performance standard, please indicate the dollar amount at risk. The amount at risk will be applicable for each year of the contract. The State suggests that a minimum of \$5,000 be placed at risk annually for on-going performance guarantees in years 1-3. The following standards will apply:

Standard	Guarantee	Amount at Risk	Measurement Frequency	Deviations
Customer Service				
Telephone Answer Time	<ul style="list-style-type: none"> 95% of all member service calls will be answered within 30 seconds (defined as the time that elapses between the time a call is received into the telephone system to the time it is responded by a representative) The result will express the sum of all waiting times for all calls answered by the queue divided by the number of incoming calls answered 	\$	Monthly	
First Call Resolution	<ul style="list-style-type: none"> 90% of all telephone inquiries completely resolved at the time of the initial contact with the member service team servicing The State 	\$	Monthly	
Closure Time for Open Inquiries	<ul style="list-style-type: none"> 95% of all open inquiries (callback, claim adjustment, etc.) placed by plan participants and providers to the service facility completely resolved within 7 calendar days 	\$	Monthly	
Resolution/Response to Written Complaints and Appeals	<ul style="list-style-type: none"> 98% of all formal complaints and appeals resolved within 30 calendar days 	\$	Monthly	
Claim Administration				
Claim Financial Accuracy	<ul style="list-style-type: none"> Financial accuracy (dollar value of claims paid correctly divided by total claim dollars paid) of 99.5% or better. Claim dollars paid correctly are calculated by subtracting gross, not net, payment errors from total claim dollars paid 	\$	Monthly/Quarterly (Results will be illustrated to the degree to which they are available on a monthly basis)	

Standard	Guarantee	Amount at Risk	Measurement Frequency	Deviations
Claim Administration (continued)				
Claim Payment Accuracy	<ul style="list-style-type: none"> • Payment incidence rate (number of correct payments reviewed in the audit sample divided by the total number of claims reviewed in the audit sample) of 98% or better • A “correct claim” is free of any errors including, but not limited to, financial and non-financial error frequency (e.g. all errors of any type) 	\$	Monthly/Quarterly (Results will be illustrated to the degree to which they are available on a monthly basis)	
Claim Turnaround Time	<ul style="list-style-type: none"> • Claim turnaround time meets or exceeds 90% of all claims processed within 7 calendar days of receipt (defined as the period from receipt of all information from external sources needed to process a claim until transaction is complete) • A claim shall be considered “processed” at the time benefit determination is completed by the examiner or system 	\$	Monthly	

4.2: QUESTIONNAIRE

Offerors must answer the following questions. Respond to the question by first restating the question using its exact wording, then providing your answer.

If you do not answer a question, please state your reason(s) for not doing so. Alternatives will be considered but only granted when in the best interests of The State. Offerors are cautioned that failure to respond in full to all questions will affect the evaluation of the offeror's proposal.

This RFP sets forth the terms and conditions under which The State wishes to purchase FSA Administration services. Your written proposal will be your offer to provide the requested services.

Any requested clarification of your proposal shall be provided in writing. Similarly, any modification of proposal terms that may occur during the proposal process shall be provided in writing.

Your proposal and the written responses described above shall be the offer on which The State bases its acceptance decision. The State reserves the right to accept, reject, or modify the specifications stated herein to best meet the needs of The State and its employees.

Sections

4.2.1	FSA Questionnaire
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4.2.1: FSA QUESTIONNAIRE

A. Requirements

A-1. Please confirm that your organization can adhere to the following required services as outlined in Section 5 Background, of this RFP. If not, please explain any deviations below.

- Member Information (account status, submitted claims, balance information, etc.) that is accessible through an online web portal;
- Toll-free customer service number available to participants;
- Maintenance of manual/electronic log by customer service to document client and participant inquiries;
- Participants must be notified, in writing, of potential forfeitures at least 30 days prior to the end of the plan year;
- Administer a 2½-month grace period after the plan year to allow state employees to incur eligible expenses and submit them to the prior year's account balance;
- Vendor that has serviced similar sized accounts as The State (10,000+ employees);
- Vendor that has been administering FSA benefits for a minimum of three (3) years;
- Availability of a debit card program for HCA spending accounts; and
- Ability to accept eligibility feed in Microsoft Excel/Access format.

A-2. What services are you providing as part of your proposal that will be delivered by a subcontractor or any organization other than yourself?

B. Account Management

B-1. Please provide the name and contact information for your organization's personnel that would be assigned to The State team.

- Account Manager;
- Implementation Coordinator.

B-2. For the personnel listed above, please identify each of the following:

- Number and size of other accounts that they are responsible for;
- Percent of time dedicated to The State during implementation; and
- Percent of time dedicated to The State on an ongoing basis.

B-3. Please provide a detailed implementation timeline that you anticipate will be needed to ensure a smooth implementation, including administrative and systems issues. Please indicate when system requirements, system setup, and system acceptance testing can be performed.

C. Customer Service

C-1. Please provide information for the following offices that will be dedicated to The State.

	City and State	Number of Personnel
Home Office		
Administrative Office		
Customer Service Office		
Claims Office		

C-2. What are your customer service hours of operation?

C-3. Is after-hours access to customer service or an automated voice response system available? Please describe.

C-4. What information can be accessed through your automated voice response system?

C-5. What are your customer service telephone responsiveness statistics for the service office(s) supporting The State?

	Standard	2011 Result	2012 Result
Average Speed of Answer			
Call Abandonment Rate			

C-6. Can the number of telephone calls “holding” for a service representative be monitored?

C-7. Are customer service representatives responsible for resolving open issues that remain on the log prior to completing their shift? If not, how are open issues tracked from receipt to resolution?

C-8. What is the average turnaround time for resolution?

C-9. Describe your infrastructure(s) for workflow balance and disaster recovery. Include information about the seasonality of your current business.

C-10. What are your quality assurance measures? Please provide specific measures and benchmarks.

D. Administration

D-1. When do administration fees start to apply for a participant that enrolls during the plan year?

D-2. When do administration fees cease for a participant who terminates from the plan during the year?

D-3. Describe your standard banking arrangement.

- Is a minimum deposit required?
- When do you request funds and for what claims period?

D-4. What is the turnaround on completed claim forms?

D-5. Please describe all options available for HCA claims submission (i.e. debit card, claim form, online payment).

D-6. Please describe all options available for DCA claims submission (i.e. debit card, claim form, online payment).

D-7. If you accept claims that are sent via facsimile, is there a toll-free facsimile available?

D-8. How are incomplete or denied claims communicated to the employee?

D-9. How are incorrect or cancelled claims after initial payment processed?

D-10. How are payments exceeding the correct reimbursement amount recouped?

D-11. Please outline the different methods of claims substantiation used by your organization.

D-12. Please outline the criteria used by your organization for claim auto-substantiation.

D-13. How will The State request a claim be reviewed?

D-14. How frequently are checks/payments being processed by your organization?

D-15. Is there a minimum check amount?

D-16. How and when are employees warned of potential forfeiture?

D-17. How are actual forfeitures identified and reported to The State and participants?

D-18. Are EOBs mailed to participants after each claim? Regardless of method of submission?

D-19. Are individual account statements routinely provided or available upon request? What is the turnaround time? How frequently are they provided?

D-20. Who is the debit card technology vendor?

D-21. How many debit cards can be issued to a family?

D-22. Can a member request additional cards? What is the fee per additional cards? Can this fee be paid out of the member's flexible spending account?

D-23. Are there any restrictions to using the debit card or where it can be used? How will employees know where they can and cannot use the card?

D-24. Please outline your standard debit card suspension rules.

- D-25. Please outline what percentage of claims is adjudicated at the point-of-service with the use of a debit card.
- D-26. Please clearly describe your substantiation requirements as it relates to the use of debit cards.
- D-27. Please explain your debit card benchmarking including the type of debit card (issuing bank).
- D-28. Are your systems set up to automatically process the 2½ month grace period? If not (i.e., if a manual work-around is required), describe the manual process.
- D-29. What processes are in place to ensure claims incurred during the grace period are paid from the proper year account? How is this handled for Debit Card Transactions?

E. Information Systems

- E-1. Please provide the name of your system(s) used to administer FSA. How long has this system been in place?
- E-2. Are there any future plans to convert to another system?
- E-3. Please confirm that you can accept separate eligibility and payroll deduction files.
- E-4. Explain your confirmation of receipt and record tracking process.
- E-5. Are all of your internal systems (enrollment, eligibility, payment, communications, query, etc) integrated? Please describe.

F. Reporting

- F-1. What reports are included in your standard reporting package? Please confirm that these reports are included in your proposed fees and attach samples to your response.
- F-2. What are your ad hoc reporting capabilities? Are there additional fees?

G. Samples

- G-1. Please include a sample in an appendix of each of the following. Please label each sample clearly.
- Communication materials
 - Notification letters
 - Spending account participant statements
 - Debit Card
 - Claim form
 - Claim kits/form with timeframe for delivery to new enrollees
 - Forfeiture notification

H. References

Please provide three references. References listed for terminated account should not reflect an account that terminated due to a merger or acquisition. Please include a state or government agency similar to The State as one of your references.

Employer Group (Current Account)	
Number of Employees/Group Size	
Contact Name and Title	
Contact Telephone Number	
Program Implementation Date	
Product	
Employer Group (January 1, 2013 Implementation)	
Number of Employees/Group Size	
Contact Name and Title	
Contact Telephone Number	
Program Implementation Date	
Product	
Employer Group (December 31, 2012 Termination)	
Number of Employees/Group Size	
Contact Name and Title	
Contact Telephone Number	
Program Implementation Date	
Product	

I. City and Town Utilization of State Contract

The State has a preference to allow cities and towns within the state of Rhode Island to obtain Flexible Spending Account administration services at the same fees offered to The State. Please indicate whether your organization, if awarded The State's business, will be willing to offer contracts to cities and towns within the state of Rhode Island at the same administration fees that are being offered to The State. Each city or town would have its own separate contract and banking arrangements.

☐ Yes☐ No

SECTION 5: COST PROPOSAL

General

This section must be completed in full. Offeror's are cautioned that failure to respond in full, or in part, to all questions may negatively affect the evaluation of the offeror's proposal, up to and including disqualification.

Proposal Requirements

Potential offerors are cautioned that proposals must conform to the specification of this RFP. Each offeror must submit a proposal for FSA Administration services based on the specified eligible population. Offerors are required to submit proposals for each of the first three (3) years of the contract.

Assumptions

Outlined below are the assumptions and requirements to be used in preparing your responses:

1. Assume an effective date of July 1, 2013.
2. Assume that all current enrollees will re-enroll effective July 1, 2013.
3. No rate revision may occur if eligible employees vary by less than +/- 15 percent at any time after the effective date.
4. In addition to the expected claim, eligibility, and utilization management services, your administration fees should include the following:
 - Administration of 2½-month grace period after the plan year to allow State employees to incur eligible expenses and submit them to the prior year's account balance
 - Periodic reporting of utilization statistics
 - A designated toll-free telephone line to claim and member services group
 - Reasonable customization and delivery cost for debit cards and claim forms
5. Please identify the cost for services not accounted for in your administration fees.
6. Exclude broker's fees or commissions from your proposal.
7. Your proposal must include a minimum 3-year fee guarantee, with two one-year optional fee extensions.
8. Proposed fees should be quoted on a mature basis (include termination administrative fees in proposed rates).

Any deviations from these assumptions must be clearly noted below.
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5.1: COST PROPOSAL

Fee Proposal

The fees presented in this section of the RFP should assume that your organization will provide FSA Administration with the use of debit cards.

Please complete the following financial exhibit for the next five July 1 plan years as indicated.

Please guarantee fees for a three-year contract, with two one-year contract extension options.

FSA Administration—With Debit Card

	Initial Contract			Optional Extensions	
	July 1, 2013– June 30, 2014	July 1, 2014– June 30, 2015	July 1, 2015– June 30, 2016	July 1, 2016– June 30, 2017	July 1, 2017– June 30, 2018
Health Care Account					
Assumed number of participants					
Initial set-up fee					
Per participant per month fee					
Other (explain)					
Dependent Care Account					
Assumed number of participants					
Initial set-up fee					
Per participant per month fee					
Other (explain)					

- Please confirm if your FSA fees are charged on a per participant basis or per account basis (i.e., if someone elects an HCA and a DCA, what is The State charged for this participant)?

Accepted this _____ day of _____, 20_____.

Officer: _____

Signature: _____

Title: _____

SECTION 6: EVALUATION AND SELECTION

Proposals will be reviewed by a Technical Review Committee comprised of staff from state agencies. To advance to the Cost Evaluation phase, the Technical Proposal must receive a minimum of 40 (80%) out of a maximum of 50 technical points. Any technical proposals scoring less than 40 points will not have the cost component opened and evaluated. The proposal will be dropped from further consideration.

Proposals scoring 40 technical points or will be evaluated for cost and assigned up to a maximum of 50 points in cost category, bringing the potential maximum score to 100 points.

The Department of Administration reserves the exclusive right to select the individual(s) or firm (vendor) that it deems to be in its best interest to accomplish the project as specified herein; and conversely, reserves the right not to fund any proposal(s).

Proposals will be reviewed and scored based upon the following criteria:

Criteria	Possible Points
Technical Proposal	
Vendor Accountability and Performance Guarantees	10 Points
Questionnaire	40 Points
Total Possible Technical Points	50 Points
Cost Proposal	
Cost calculated as lowest responsive cost proposal divided by (this cost proposal) times 50 points *	50 Points
Total Possible Points	100 Points

*The Low bidder will receive one hundred percent (100%) of the available points for cost. All other bidders will be awarded cost points based upon the following formula:

$$(\text{low bid} / \text{vendors bid}) * \text{available points}$$

For example: If the low bidder (Vendor A) bids \$65,000 and Vendor B bids \$100,000 for monthly cost and service fee and the total points available are sixty (50), vendor B's cost points are calculated as follows:

$$\$65,000 / \$100,000 * 50 = 32.5$$

Points will be assigned based on the offeror's clear demonstration of his/her abilities to complete the work, apply appropriate methods to complete the work, create innovative solutions and quality of past performance in similar projects.

Applicants may be required to submit additional written information or be asked to make an oral presentation before the technical review committee to clarify statements made in their proposal. Applicants may be required to submit additional written information or be asked to make an oral presentation before the Technical Review Committee to clarify statements made in their proposal.

SECTION 7: PROPOSAL SUBMISSION

Questions concerning this solicitation may be e-mailed to the Division of Purchases at David.Francis@purchasing.ri.gov no later than the date and time indicated on page one of this solicitation. Please reference **RFP#7458378-Flexible Spending Account (FSA) Administration for State Employees** on all correspondence. Questions should be submitted in a Microsoft Word attachment. Answers to questions received, if any, will be posted on the Internet as an addendum to this solicitation. It is the responsibility of all interested parties to download this information. If technical assistance is required to download, call the Help Desk at (401) 574-9709.

Offerors are encouraged to submit written questions to the Division of Purchases. **No other contact with State parties will be permitted.** Interested offerors may submit proposals to provide the services covered by this Request on or before the date and time listed on the cover page of this solicitation. Responses received after this date and time, as registered by the official time clock in the reception area of the Division of Purchases will not be considered.

Responses (**an original plus five (5) copies**) should be mailed or hand-delivered in a sealed envelope marked “**RFP#7458378-Flexible Spending Account (FSA) Administration for State Employees**” to:

RI Dept. of Administration
Division of Purchases, 2nd floor
One Capitol Hill
Providence, RI 02908-5855

NOTE: Proposals received after the above-referenced due date and time will not be considered. Proposals misdirected to other State locations or those not presented to the Division of Purchases by the scheduled due date and time will be determined to be late and will not be considered. Proposals faxed, or emailed, to the Division of Purchases will not be considered. The official time clock is in the reception area of the Division of Purchases.

RESPONSE CONTENTS

Responses shall include the following:

1. A completed and signed four-page R.I.V.I.P generated bidder certification cover sheet downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
2. A completed and signed W-9 downloaded from the RI Division of Purchases Internet home page at www.purchasing.ri.gov.
3. **A separate Technical Proposal** with complete responses to all questions set forth in Sections 4.1: Vendor Accountability and Performance Guarantees and 4.2: Questionnaire, describing the qualifications of the Offeror's product and background of the applicant, and all information described earlier in this solicitation. As appropriate, references of three clients covered by this request.
4. **A separate, signed and sealed Cost Proposal** reflecting the assumptions and requirements outlined along with the five-year period guaranteed fees proposed to complete all of the

requirements of this project.

5. In addition to the multiple hard copies of proposals required, Respondents are requested to provide their proposal in **electronic format (CDRom, diskette, or flash drive)**. Microsoft Word / Excel OR PDF format is preferable. Only 1 electronic copy is requested and it should be placed in the proposal marked "original".

CONCLUDING STATEMENTS

Notwithstanding the above, the State reserves the right not to award this contract or to award on the basis of cost alone, to accept or reject any or all proposals, and to award in its best interest.

Proposals found to be technically or substantially non-responsive at any point in the evaluation process will be rejected and not considered further.

The State may, at its sole option, elect to require presentation(s) by offerors clearly in consideration for award.